

**LEGISLATIVE SERVICES AGENCY
OFFICE OF FISCAL AND MANAGEMENT ANALYSIS**

301 State House
(317) 232-9855

FISCAL IMPACT STATEMENT

LS 7309

BILL NUMBER: HB 1687

NOTE PREPARED: Jan 13, 2003

BILL AMENDED:

SUBJECT: Gasoline tax.

FIRST AUTHOR: Rep. Liggett

FIRST SPONSOR:

BILL STATUS: As Introduced

FUNDS AFFECTED:

**GENERAL
DEDICATED
FEDERAL**

IMPACT: Pending

Summary of Legislation: This bill replaces the per gallon tax on the use of gasoline with a 1.17 cent per mile tax for 2004 and a 1.29 cent per mile tax for 2005. It provides for the annual conversion of the per mile tax to a per gallon rate based on a formula involving the annual motor vehicle miles of travel for Indiana and the annual total certified taxable gallons of motor fuel. The bill provides for an annual adjustment to the per gallon conversion rate for inflation. It provides that the rate may not exceed \$0.20 in 2004 and \$0.22 in 2005. The bill provides that the per gallon conversion rate may not be reduced below the conversion rate of the previous year. It provides for distributions to match: (1) 2003 distributions from the Motor Vehicle Highway Account and the Local Road and Street Account; and (2) County Wheel Tax and County Motor Vehicle Excise Surtax collections. The bill eliminates the Local Road and Street Account. It requires at least 25% of the distributions from the Motor Vehicle Highway Account to be used for the purposes of the Local Road and Street Account. It makes conforming changes. The bill imposes a supplemental gasoline tax if the federal gasoline tax is reduced below the per gallon rate imposed on January 1, 2003.

Effective Date: July 1, 2003; January 1, 2004.

Explanation of State Expenditures: *As of the above date, the fiscal analysis of this bill has not been completed. Please contact the Office of Fiscal and Management Analysis for an update of this fiscal impact statement.*

Explanation of State Revenues:

Explanation of Local Expenditures:

Explanation of Local Revenues:

State Agencies Affected:

Local Agencies Affected:

Information Sources:

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